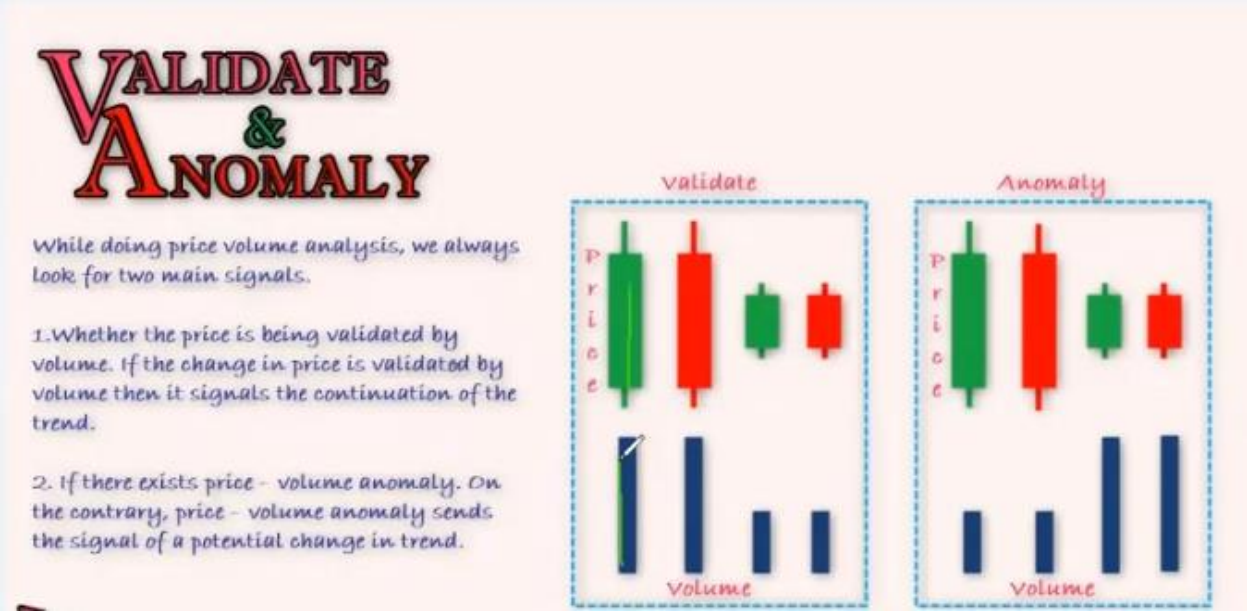
A TRIBUTE TO THE GREATEST PERSON, WHO IS LIKE A LIGHTHOUSE, SHINING ITS LIGHT OF KNOWLEDGE ON US AND HELPING US BECOMING A SUCCESSFUL PERSON.

BO TRADER & MENTOR MUHAMMAD ISHAQUE

"Sir, you are helping many people without even knowing how much of a great favor you are doing by giving these lectures free on YouTube and I never heard these concepts ever before, I have been studying about this from the last 6 months and your lectures have given so much information and concepts that my perspective has totally changed, I have made these notes and now sending to you, because many of your students aren't able to grab Urdu language. Please consider this gratitude for the efforts you put in for us. All the efforts and hard works you're invested to bring out the best in us can never be repaid in mere words. We can only feel grateful for having a teacher like you!"

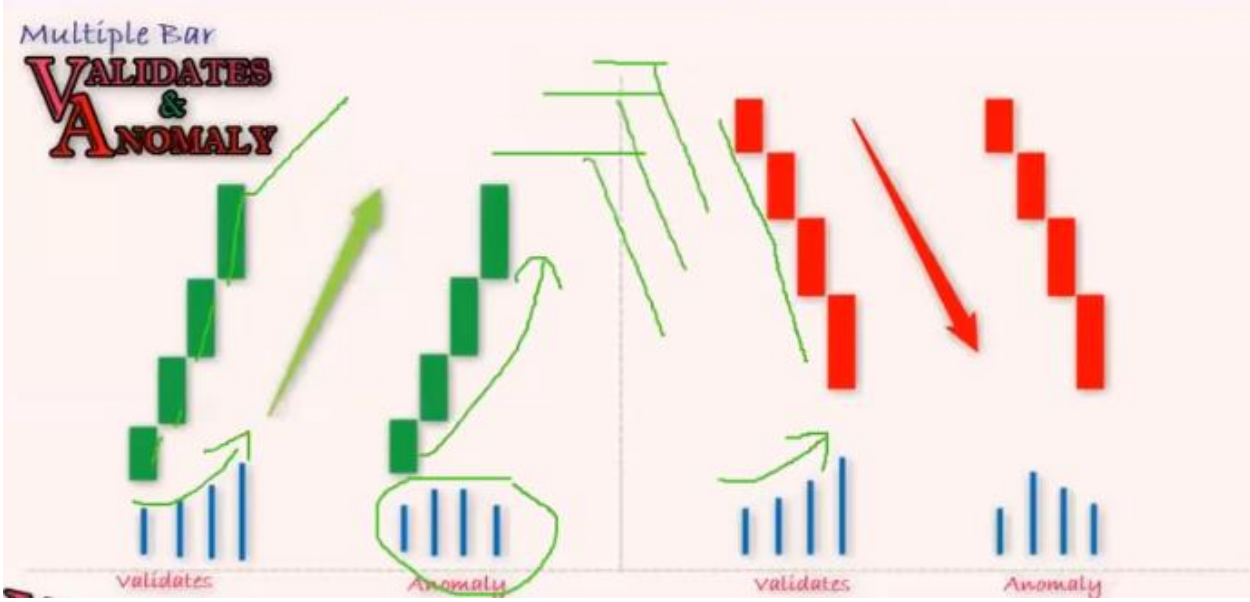
Your Virtual Student

Rabia Rana



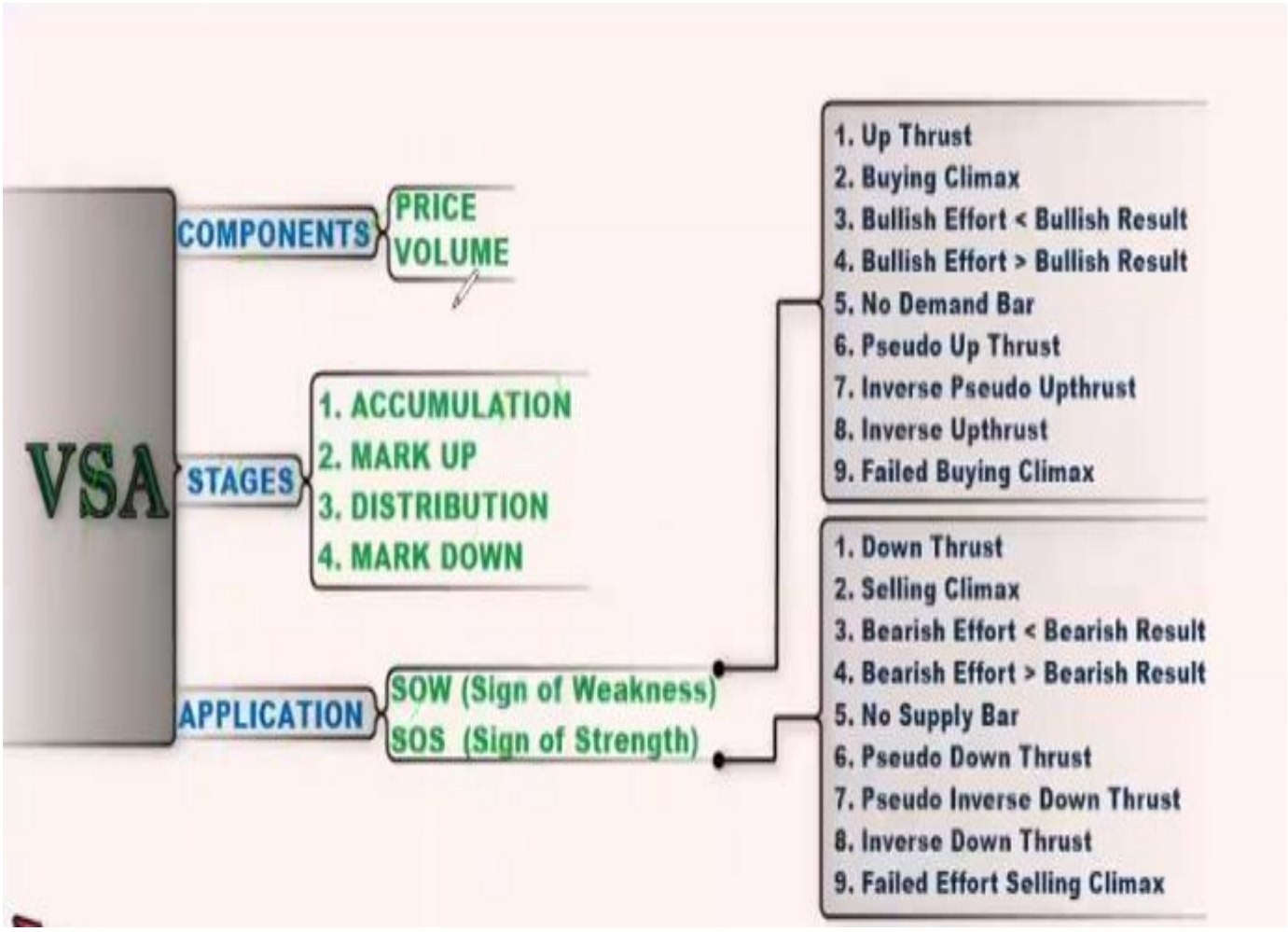
Another important thing is Effort and Result, effort is movement of price and result is the quantity purchased. If effort is more than price should also increase, if effort is less the price should decrease, this can be seen in the Validate image. However, in Anomaly, we see that effort is less but prices increase more and this increases the result, or effort is more but price is not increasing and this decreases the result, if this happens then it indicates that reversal will come. We can say Effort is **Volume** and Result is **Price**.

“Result must be equal to Efforts, if Result is more and Efforts are less than it is not right same goes for if Efforts are more and Result is less then again it’s not right”

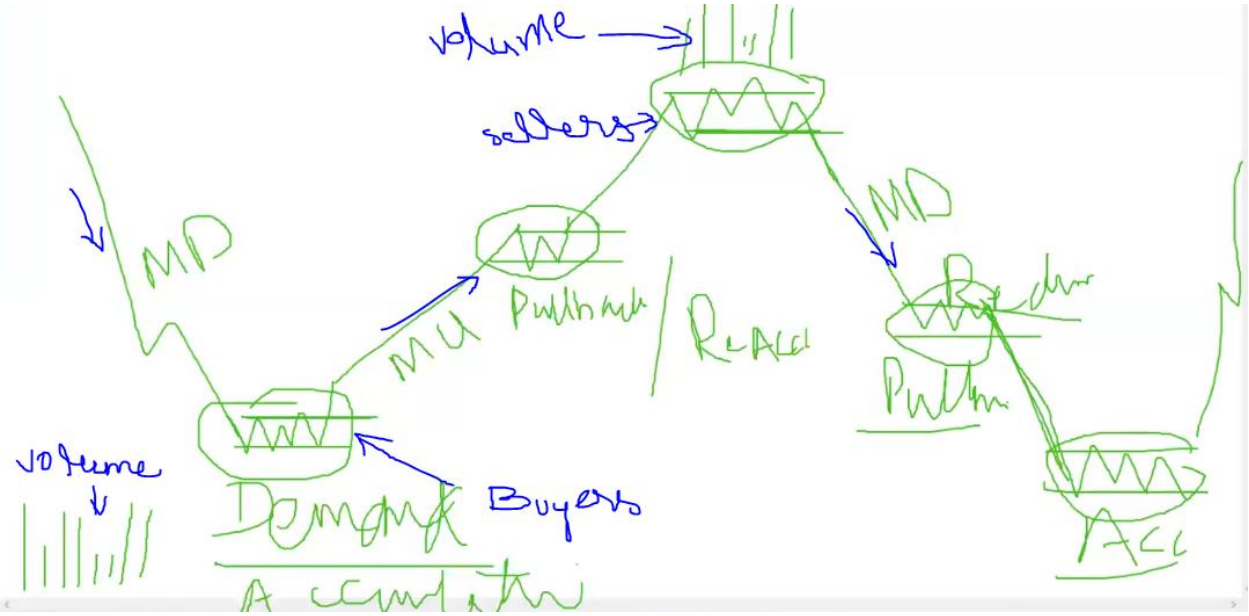


In Anomaly we can see that volume first increases as the candle increases but then it started showing different or opposite Result for the Efforts put in, so when this happens, in next upcoming candles (in future) the S&R level will reverse the market.

If market is going up then we should know the reason or cause of its movement. If we are able to find out the Cause due to which we get Result, then we will continue with the Trend. If Cause is right, Result is fine then further continues the Trend. If Cause is wrong, then through Result we will know that cause is wrong.



Accumulation is Demand zone, Distribution is Supply zone. Mark-up is up trend and Mark-down is down trend. Cause and Result come in this section of VSA. When trend start and price goes up then we have the cause that demand is high same goes for supply.



When a downtrend start which is also called Mark-down, then after this a Range will appear (which is called Demand in price-action and called Accumulation in VSA because the Volume of **Buyers' Candle** were more in than sellers) and this Range suggested that now Buyers wants to take the price up and after then a breakout happen, and Buyers started Up-trend which is called Mark-up.

During a trend there is a pull-back area which is also called Correction Wave but in VSA we call it ReAccumulation because market will go further up. Then again a Range appear and now we see the volume of **Sellers** are increasing and then a breakout happened which started a Downtrend also called Mark-down and on the pull-back now it will be called ReDistribution.

"Range is beginning of a new trend"

"**Cause** of price going up was increase in **Buyer's volume** and also the **cause** of price going down is **Volume increased in Sellers**."

Now we will talk about supply vs demand, supply is from Sellers that they want to sell every time but when they are out of supply then demand increases by Buyers. The formula is:

Supply > Demand = Downtrend or Mark-Down

Demand > Supply = Uptrend or Mark-Up

Demand = Supply we will have Ranging Market

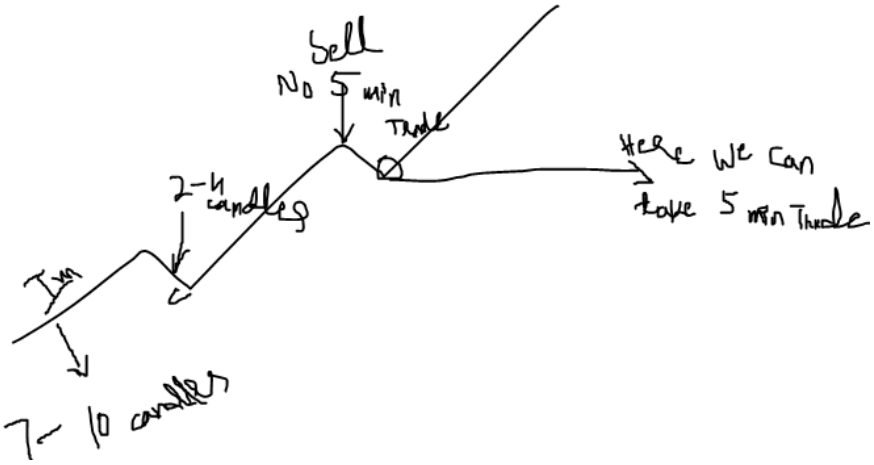
Sometimes during a downtrend market moves up then comes down, that doesn't mean Supply has decreased it happened because it was a false movement by Buyers. In Volume we know that Sellers volume is more and this slight upward movement will not continue.

Now we will look for the application:

There are two concepts

1. Sign of weakness (SOW)
2. Sign of strength (SOS)

The uptrend will have SOW and from there a downtrend will take place, in downtrend we will see SOS concept because here Sellers are getting weak and Buyers are gaining strength. In Sellers' move we will look for Seller weakness and in Buyer's Move we will search for buyers' weakness.



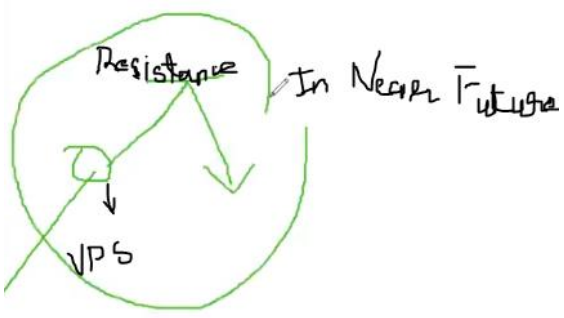
Elliot Wave means an Impulsive Move consists of 7-10 candles with a correction wave of 2-4 candles; so, if we have to take a 5 min trade then we should take it on impulsive wave instead of correction wave. If market is in uptrend or in a downtrend, it will make impulsive wave.

VSA Signals are of two types:

1. Immediate result
2. In near Future result

Mostly we will get signal of "Near Future" and sometimes we will get "Immediate result" when suddenly a trend will change.

The Resistance is at distance and we get the VPS signal and it suggests that trend will change in future after touching the resistance market will reverse.



"**After three impulsive waves market can reverse"**

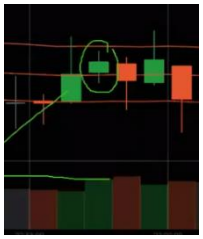
So, it means we can take signals for 3 times not more than 3 times.

1. **Up-Thrust**

This is a pattern appears in downtrend, when 2 or 3 bullish candle appears and after that a Pin-Bar appear (with upper wick) and when we will see volume it will be increase increase decrease and ultra-high volume. It will touch resistance and will go down. It is also hitting 50% MA resistance.

If these pattern appears after 1 candle then we can only trade for 1 min, if it comes after 2-3 candles then we can trade for 5 min. Trend should be of 3 candles, minimum.

Another variation of this appears as PSEUDO when the Pin-Bar candle volume is less than the previous 2 candles' volume. The Resistance level is also there. It is necessary that this pattern appears near the Resistance level for confirmation. We should look for middle of trend or at the end of trend, not in the beginning of trend for this signal.



Third scenario or variation of Up-thrust takes place when instead of Pin-Bar it will have Spinning Top Candle and the volume of spinning top candle will be ultra-high than the previous candles. Keep in mind that it should close on or touch Resistance level.

Sometimes, it can also happen that these is no resistance at that time market will continue going up and it suggest that "In Near Future" market will go down. **Always keep in mind that in which move we are and the closest Resistance is at what level.**

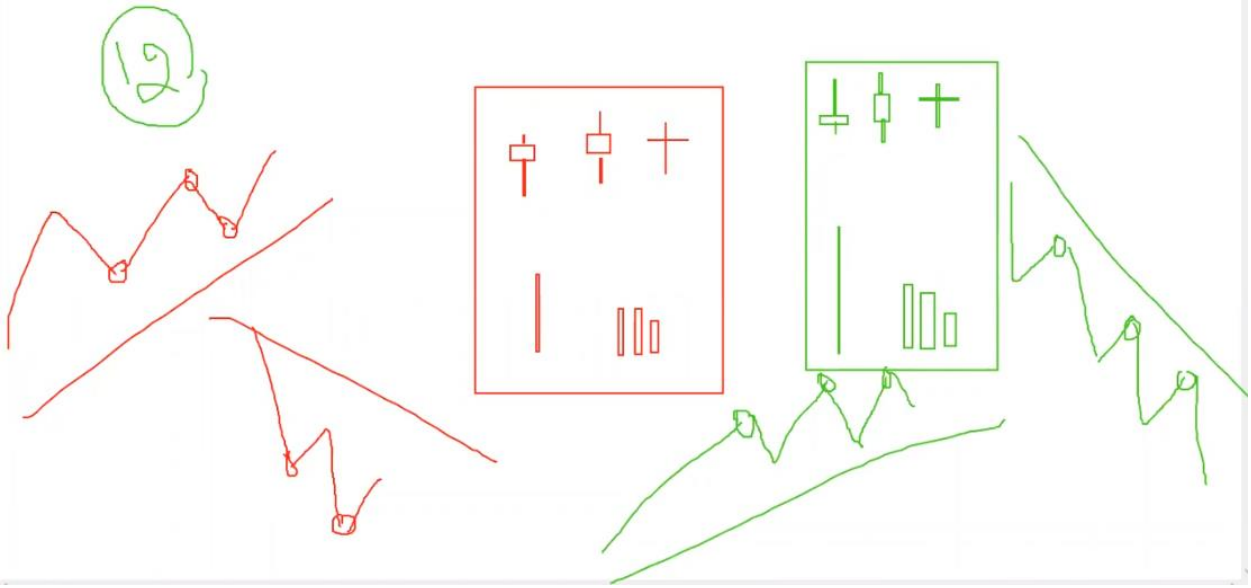
If the volume of spinning top is less than the previous 2 candles then next candle can go down, this another variation of Spinning Top pattern of Up-thrust. Long-Legged Doji will also work the same way like this Spinning Top candle.

2. **Down-Thrust:**

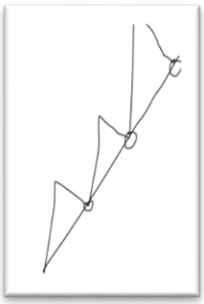
The concept of Down-Thrust is same as it is mentioned for Up-Thrust. Same Volume and same number of candles for Down-thrust and Pseudo Down-thrust with Ultra-high volume and Low volume respectively. In Up-Trend we find more good concept of Down-Thrust and Pseudo Down-Thrust. For this signal we need round number or the pattern touch the Support level 50 MA level and then it will goes up. Candles are **RED**.

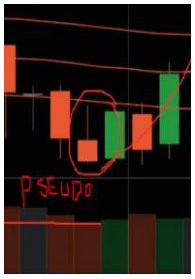
In a consecutive trend if we find more than two times, then on the third time it might not work or not as strongly as it did previously. This image shows PSEUDO of Down-thrust which is a small volume size candle compare the previous candles and near round number or Support level of 50 MA.

In correction wave we can take trade of 1 or 2 min but not of 5 min.



3. Inverse Down-Thrust:





Concept will be the same, only the shape will be changed. Now it will have the shape of inverted hammer/shooting star and the Volume of Inverse Down-Thrust will be ultra-high and the volume of PSEUDO (Inverse Down-Thrust)will a small Volume after two candle volumes. These signals will be valid for Uptrend; we must find these in Uptrend Only. We will take trades only at Resistance level. It will appear at the end of trend when candles will be "weak", we will not take this sign in the start of trend because it is a continuation symbol in start.

After a Green Candle the trend starts, so we will not take this sign here.

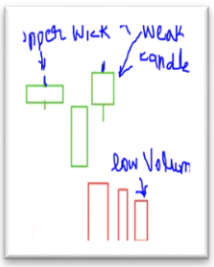
4. Inverse Up-Thrust:

Concept of Up-thrust will be applied here with opposite shape. Now it will have the shape of hammer/hanging man and the Volume of Inverse Up-Thrust will be ultra-high and the volume of PSEUDO (Inverse Up-Thrust)will a small Volume after two candle volumes. These signals will be valid for Downtrend; we must find these in Downtrend Only. We will take trades only at Support level. We will not take signal if a Red candles comes in because it will not be a continuation signal. On Inverse Up-Thrust we can see it on correction wave, a resistance level and ultra-high volume, can take a trade here.

We can see in PSEUDO Inverse Down-Thrust that there is a Resistance level, Volume is less than the previous candles' volume and it appeared after a correction wave, we can take the trade of 2, 3 or 5 mints here.

<u>How we will know that demand has decreased (ended) and supply has started or supply has decreased (ended) and demand has started? We will learn this through **No Demand Bar** and **No Supply Bar**. These two patterns are of great importance in VSA because they appear many times.</u>

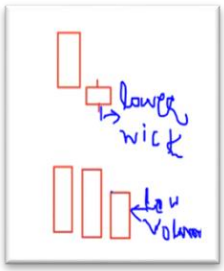
5. No Demand Bar

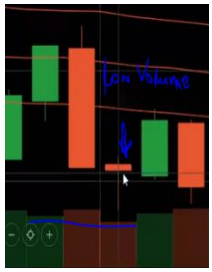


It will have a small body and wick on both sides, but specifically will have an Upper Wick to indicate Sellers are active and should be weak compared to the previous candle. The Volume will decrease than the previous two volume candles. Previous two candles and their volume should be GREEN. All this suggest that next candle(s) will go DOWN. Always wait for RESISTANCE because market will drop after that and not take big candles only small body candles and no SPINNING TOP.

we will

6. No Supply Bar

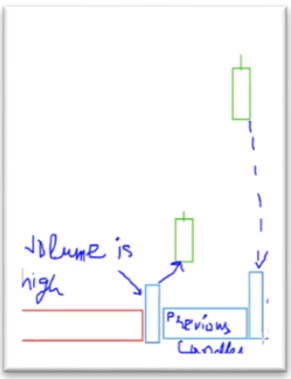


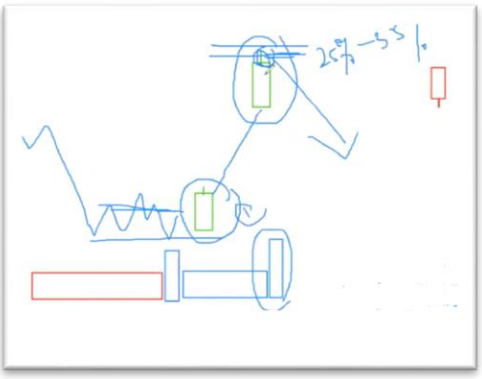


It will have a small body and wick on both sides, but specifically will have a Lower Wick to indicate Buyers are active and should be weak compared to the previous candle. The Volume will decrease than the previous two volume candles. Previous two candles and their volume can be GREEN or RED and this Low Volume candle will be RED. All this suggest that next candle(s) will go UP. Always wait for SUPPORT because market will go up after that and we will not take big candles only small body candles and no SPINNING TOP.

Keep in mind that when there is an upper Resistance and lower Support and market is congested the do not trade in this situation.

7. Buying Climax:

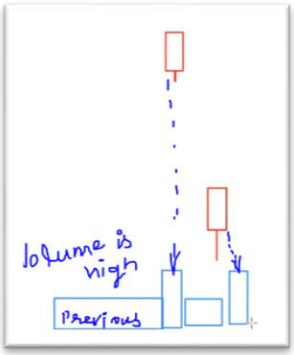


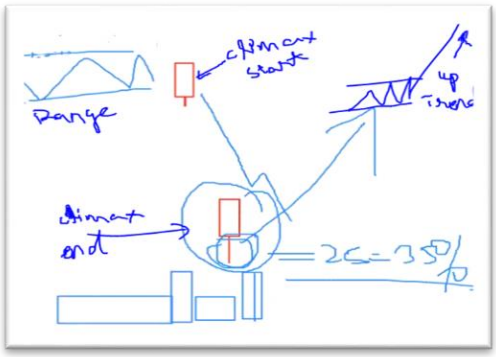


The volume of Buying Climax candles will be Ultra-higher than all the previous candles, and it will have an **Upper wick** which must be **25-35% of whole candle**. The start of Buying Climax can take place with any candle with **ultra-high volume bar**. There will be a **Resistance area** from where the trend will change as Buying pressure has reached its climax. If it is near to a Resistance area then market can reverse in near future.

There will a Downtrend after which a Range took place and the Buying Climax Started with a candle breaking that range (this Green candle Volume will be ultra-high indicating a change in trend) and started an Uptrend. On uptrend we had Buying Climax and then again started a Downtrend after a Range appear.

8. Selling Climax

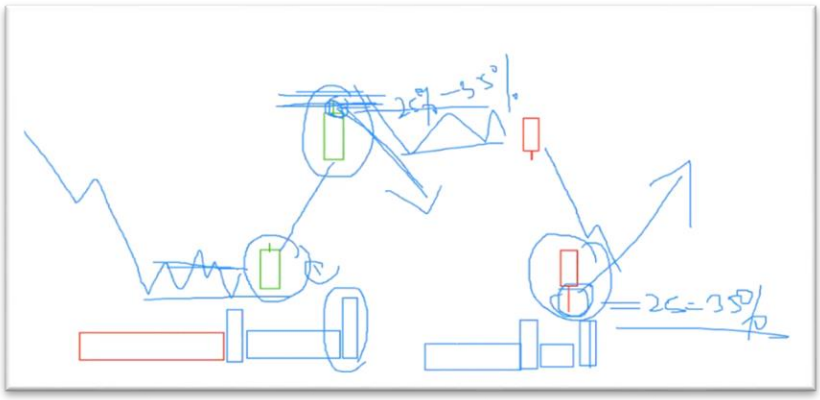




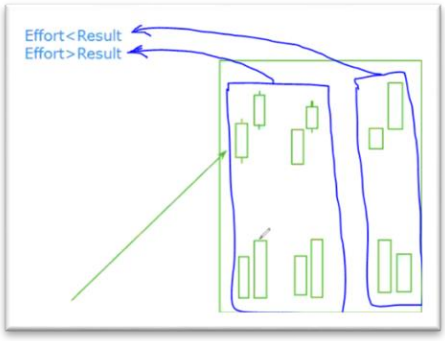
The volume of Selling Climax candles will be Ultra-higher than all the previous candles, and it will have a **Lower wick** which must be **25-35% of whole candle**. The start of Selling Climax can take place with any candle with **ultra-high volume bar**. There will be a **Support area** from where the trend will change as Selling pressure has reached its climax. If it is near to a Support area then market can reverse in near future.

There will an Uptrend after which a Range took place and the Selling Climax Started with a candle breaking that range (this Red candle Volume will be ultra-high indicating a change in trend) and started a Downtrend. On downtrend we had Selling Climax and then again started an Uptrend after a Range appear.

It is not necessary that if a Buying/Selling Climax has started then it must end with the same pattern, any other pattern of VSA can appear and we will follow that. Another thing to keep in mind, is that it not necessary that after a Buying Climax market will go down or after the Selling Climax the market will go up, it can go up or down too respectively, supply and demand can change.



9. Bullish Effort < Bullish Result & Bullish Effort > Bullish Result



Effort is Volume and Result is Candle. In this pattern we compare two candles and two volumes. We assume that market is moving in a Uptrend, and two candles formed with same body, the first candle volume is less and the other candle volume is greater. Here we noticed that Results (candles) are same then it means that Efforts should also be same, but here we noticed that efforts are different. Candles should be GREEN. This highlights the concept we studied earlier, i.e. **anomaly.**

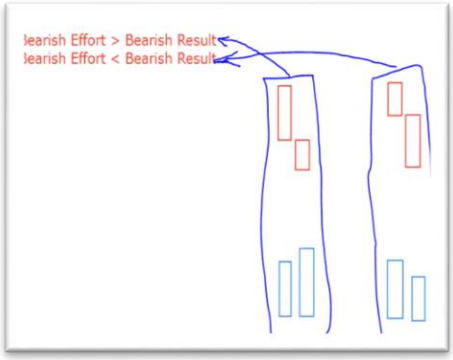
There are two concepts:

Bullish Efforts < Bullish Results

Bullish Efforts > Bullish Results

So, in the image we saw that the effort is more than the result. Effort increased but result didn't increase which show that Trend can reverse and it did. Keep in mind that Resistance should also be considered when looking for this pattern and the upper wick rejection.

10. Bearish Effort > Bearish Result & Bearish Efforts < Bearish Results



Effort is Volume and Result is Candle. In this pattern we compare two candles and two volumes. We assume that market is moving in a Downtrend, and two candles formed with same body, the first candle volume is less and the other candle volume is greater. Here we noticed that

Results (candles) are same then it means that Efforts should also be same, but here we noticed that efforts are different. This kind of difference indicates a reversal is about to happen soon when market is going to touch the Support level. Candles should be RED. Whenever we are going to find these differences in Effort and Result, we can expect a Reversal.

Bearish Efforts < Bearish Results

Bearish Efforts > Bearish Results

In this image we can see that effort is less and result is more as the weak candle had good volume and the big candle has a small volume and this difference shows that market can reverse and it happened, market goes up.

In this image we can see that weak candle had a good volume and the next candle has a large body but the volume is less, which tells us Effort < Result and we got a chance to trade for 1 min. Again, we see difference in volume and candle, which suggest Effort > Result and we got the opportunity to trade for 1 min.

11. Failed Buying Climax

Market moves Uptrend and at the beginning of correction wave we have a Buyers Candle and its Volume is less than previous candles, then again after an Upward movement and at the beginning of correction we again have Buyers Candle and again the Volume bar of this candle is less than the previous candles. When this has happened then it means a Downtrend is about to begin. Candles will be Big in Size, but their Volume will be less.

In this image, we can see that first a Big candle appear and its volume was less compared with previous candles and again we saw a Big candle near Resistance and it had a low Volume which suggested that now trend can reverse and a Downtrend started after its formation. This pattern is also called Double Top and is denoted by “M”.

12. Failed Effort Selling Climax

Market moves Downtrend and at the before the start of correction wave we have a Sellers Candle and its Volume is less than previous candles, then again after an Downward movement and at the beginning of correction we again have Sellers Candle and again the Volume bar of this candle is less than the previous candles. When this has happened then it means an Uptrend is about to begin.

Candles should be Big and Volume must be less than previous volume bars.

In this image, we can see that first a Big candle appear and its volume was less compared with previous candles and again we saw a Big candle at Support level and it had a low Volume which suggested that now trend can reverse and a Uptrend started after its formation. It is also called Double Bottom and it is denoted by “W”. One thing to keep in mind is that, in this Double Bottom pattern the next bottom or wedge will be above than the previous wedge of W, and if the Resistance is broken then market will go up.

We will have “W” pattern in a Failed Effort Selling Climax and “M” for Failed Buying Climax.

These patterns are also rare to find, they are not frequently visible on chart.